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Consumer Behavior toward Luxury Fashion Rental: A Hierarchical Motivations Approach

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Keywords: luxury fashion rental; motivation; self-determination theory

Introduction Luxury Newcomers, who are younger and holding high fashion tastes but without high incomes, have emerged after the recession (Boston Consulting Group, 2012). The recent years also witnessed the emerging of New Consumerism, such as the sharing economy and sustainable consumption (Euromonitor, 2016). Research suggested that the luxury newcomers are more likely to explore new brands (Jay, 2012; Tong, Su & Xu, 2017) and to adopt new ways of obtaining luxury, such as renting. Sharing economy provides consumers with access rather than ownership of products (Euromonitor, 2016). As a part of the sharing economy, luxury rental consumers share the key traits of new consumerism and the attributes of luxury newcomers. However, the existing literature on luxury consumption is mainly purchase-oriented. Limited research has been conducted to explore luxury consumption via renting.

Purpose of the Study The purpose of this study was to explore consumer behavior toward luxury fashion rental from the perspective of motivations. In the context of luxury consumption, a variety of motivations were identified and examined, including ego-defense, hedonism of using the luxury product, seeking for uniqueness, and social identification (Sharma & Chan, 2017; Truong, 2010; Vigneron & Johnson, 1999). However, while the products involved in the luxury consumption can be the same, the consumption motivations could be very different between the two obtaining methods, i.e. purchasing and renting. For example, the motivation to buy luxury products as a way to signal wealth, status, and power (O'Cass & Frost, 2002) may not be the driving factor for luxury rental. The literature on sharing economy suggested the following driving motivations toward consumers' engagement in sharing activities: sustainability, economic benefit, and enjoyment of smart shopping (Hamari, Sjöklint, & Ukkonen, 2016; Hsui-Fen Lin, 2007; Russell Belk, 2007).

The Self-determination Theory (SDT) (Deci & Ryan, 1985) argues that consumers' motivation can be classified as extrinsic and intrinsic. Extrinsic motivations refer to engaging in an activity to gain specific outcomes, while intrinsic motivations refer to personal inner cognitive evaluation of the activity. Using SDT, this study aimed to identify and establish a hierarchical structure of the motivations driving consumers' behaviors toward luxury fashion rental.

Methodology Data for this study were collected through an online survey. A national sample (n=400) was purchased from a research company. The data collection took place in February, 2018. After deleting invalid responses (straight-lining answers, missing values, or obvious

illogical answers), a total of 359 responses were retained for further data analysis. Seven motivational items, including social identification, sustainability, economic benefits, ego-defense, hedonism, uniqueness, and enjoyment of smart shopping, were measured by adopting or modifying scales used in previous studies. All items were measured on a 7-point Likert scale. Demographics were also collected, including gender (female=49.3%; male=50.7%), age (18-30=35.65%; 31-40=31.76%; 41-50=32.58%), and other basic information. A hierarchical Confirmatory Factor Analysis (CFA) was conducted to investigate the structure of consumers' motivations for luxury fashion rental services.

Results and Conclusions A first-order (CFA) was conducted on the seven motivations. The results suggest an overall good fit and adequate reliability estimates for the seven motivation factors (α ranging from .725 to .873) with all significant factor loadings at the 0.05 level. Per the SDT theory (Deci & Ryan, 1985), the seven motivation items were proposed to be represented by a hierarchical structure with respect to the two dimensions of motivations: intrinsic and extrinsic. Ego defense, hedonism, perceived uniqueness, and enjoyment of smart shopping were proposed to have intrinsic nature, while social identification, economic benefits, and sustainability value to be extrinsic in nature. A second-order CFA was conducted to confirm the dichotomy factor structure of consumers' motivations for luxury fashion rental services. As illustrated in Figure 1, goodness-of-fit statistics ($\chi^2 = 381.974$, $df = 162$, $p < .001$, $GFI = 0.905$, $AGFI = 0.877$, $RMSEA = 0.062$) accept the dichotomy factor structure of consumers' motivations

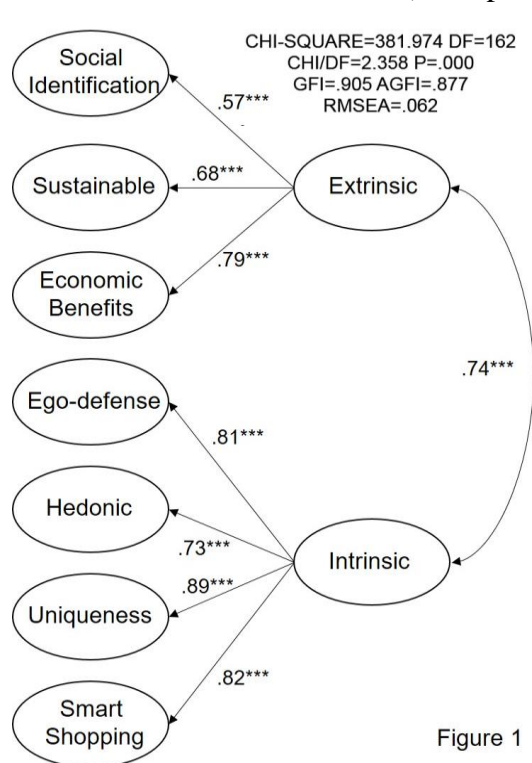


Figure 1

for luxury fashion rental. The four factors of ego defense ($\gamma = .81$, $p < .001$), hedonism ($\gamma = .73$, $p < .001$), uniqueness ($\gamma = .89$, $p < .001$) and smart shopping ($\gamma = .82$, $t = 5.42$, $p < .001$) were significantly loaded to the same intrinsic dimension ($CR = 0.89$, $AVE = 0.66$). The three factors of social identification ($\gamma = .57$, $p < .001$), sustainability ($\gamma = .68$, $p < .001$), and economic benefits ($\gamma = .79$, $p < .001$) were significantly loaded to the same extrinsic dimension ($CR = 0.73$, $AVE = 0.47$).

Recommendations for Future Studies This study conceptualized the multi-dimensional structure of consumers' motivations toward luxury fashion rentals. Built on this structure, future studies could investigate the role of motivations in consumers' behavior toward luxury fashion rental services, which has been showing a great potential for speed growth (Euromonitor, 2016; Yeoman, 2011).

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